

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 410 - HB 313

March 1, 2013

SUMMARY OF BILL: Expands the definition of a qualified farmer or nurseryman, for the purpose of the farming equipment and machinery sales tax exemption, to include a person who submits proof of an approved sales tax exemption certificate from another state that has the same or substantially equivalent requirements for the agricultural sales and use tax exemptions authorized in Tennessee.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Revenue (DOR), under current law people who hold a sales tax exemption certificate from another state are authorized to apply with DOR and receive a Tennessee sales tax exemption certificate.
- According to DOR, exempting people from Tennessee state and local sales tax who submit proof of an approved sales tax exemption certificate from another state will not result in a significant fiscal impact to state or local governments.
- The fiscal impact of this bill is considered not significant because these individuals are assumed to be paying no Tennessee sales taxes under current law for they make tax exempt purchases in their home state, and further because state and local governments in Tennessee currently forgo sales tax revenue due to these individuals being authorized under current Tennessee law to obtain a Tennessee exemption certificate if they so desire.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/bos

SB 410 - HB 313